

## Message Text

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PAGE 01 ISTANB 02531 080931Z

14

ACTION EUR-12

INFO OCT-01 EB-07 ISO-00 XMB-04 /024 W

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R 080820Z JUL 76

FM AMCONSUL ISTANBUL

TO SECSTATE WASHDC 7602

INFO USDOC WUSHDC

AMEMBussy ANKARA

UNCLAS ISTANBUL 2531

DEPT PASS EXIMBANK

E. O. 11652: NA

TAGS: BENC, TU, BEXP

SUBJ: MAJOR PROJECT: ASIL CELIK ROLLING AND STEEL MILL

REF: A. STATE 162665 B. ISTANBUL 2008

C. STATE 102712 D. ISTANBUL 1503

1. PENNSYLVANIA ENGINEERING (PECOR) MARKETING DIRECTOR PALCZYNSKI AND TWO PECOR ENGINEERS CONFERRED WITH ASIL CELIK JULY 3-7. PECOR PRICE OF APPROXIMATELY \$42 MILLION IS REPORTEDLY SLIGHTLY HIGHER THAN BUT COMPETITIVE WITH JAPANESE FIRM I. H. I'S PROPOSAL (\$39.8 MILLION FOB) FOR STEEL AND ROLLING MILL MACHINERY AND EQUIPMENT.

2. IN MEETING WITH CONSUL GENERAL AND OTHER CONGEN OFFICERS, PALCZYNSKI EMPHASIZED IMPORTANCE OF EXIMBANK PARTICIPATION, AND ASIL CELIK MANAGEMENT CONFIRMS THAT FINANCING IS MAJOR REMAINING OBSTACLE TO SELECTION OF AMERICAN FIRM. ASIL CELIK GENERAL MANAGER TEZCAN YARAMANCI AND DIRECTOR TURGOT OZAL WILL TRAVEL TO PITTSBURGH JULY 19 FOR FINAL SESSION WITH PECOR AND TO WASHINGTON JULY 20 FOR DISCUSSIONS WITH EXIMBANK. AT THAT TIME FINAL FEASIBILITY REPORT AND MARKET STUDY, PREPARED BY KAISER ENGINEERS, WILL BE AVAILABLE. ASIL CELIK AND PECOR HOPE TO BE ABLE TO SECURE EXIMBANK PRELIMINARY COMMITMENT THAT WEEK.

3. JAPANESE TACTIC SEEMS TO BE TO USE PECOR'S OFFER AS A GUIDE-LINE FROM WHICH TO ADJUST ITS OWN MACHINERY/PRICE MIX, AND I. H. I.

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MAY

EVEN BE WILLING TO SELL AT A LOSS IN ORDER TO OBTAIN A FOOTHOLD IN  
THE  
TURKISH MARKET. JAPANESE FINANCING OFFER (PARA 2 REF D) ORIGINALLY  
OFFERED BY I. H. I. NOW REPORTEDLY AN OFFICIAL COMMITMENT BY THE  
JAPANESE EXPORT FINANCING AGENCY. GIVEN THE STATED PREFERENCE FOR  
U.S. EQUIPMENT AND TECHNOLOGY, CONGEN HOPES EXIMBANK WILL BE  
ABLE TO FINANCE THIS PROJECT AT MOST FAVORABLE TERMS POSSIBLE IN  
ORDER  
TO ENABLE PECOR TO MAKE A COMPETITIVE PROPOSAL. AS WE HAVE RE-  
PORTED PREVIOUSLY THIS IS A "BLUE CHIP" PROJECT AND IN  
THE PRIVATE SECTOR AT THAT.  
BATJER

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NNN

## Message Attributes

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**TAGS:** BENC, BEXP, TU  
**To:** STATE  
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